



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

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ATTORNEY GENERAL DARRELL V. MCGRAW, JR. SECURES \$129,000 IN REDRESS FOR WEST VIRGINIA CONSUMERS

Attorney General Darrell V. McGraw, Jr. announced that his office entered into a settlement with Conseco Finance Servicing Corp. of St. Paul, Minnesota, which grants approximately \$129,000 in debt relief and restitution to dozens of West Virginia consumers. The settlement requires Conseco Finance to refrain from engaging in a wide range of objectionable credit and debt collection practices that harmed consumers.

Attorney General McGraw's office began investigating Conseco Finance after several West Virginia mobile home buyers reported that their names were left off sales and title documents and replaced by names of cosigners. Lenders sometimes require buyers to obtain persons with better credit, called "cosigners," to guarantee payment on the loan if the buyers default. Cosigners are not buyers but must be given a special notice in advance explaining that they are responsible for the loan. The Attorney General's investigation found that cosigners were misrepresented as buyers and were not given the special notice before signing Conseco loan contracts.

The Attorney General's office also found that Conseco Finance debt collection agents harassed over the telephone and used many other heavy-handed tactics to force consumers to voluntarily abandon their mobile homes without going through the judicial process. One Kanawha County home buyer, Betty Terry, tape-recorded a Conseco Finance agent who threatened if he didn't have a check "by phone" before five o'clock, he was going to send the Sheriff out. State law prohibits debt collectors from making such threats to consumers.

The Attorney General's investigation also found that Conseco was refusing to take responsibility as an assignee lender to repair defective homes installed by defunct mobile home dealers. A Wayne County couple was unable to move into their new double-wide mobile home for more than six months because the dealer damaged the home and went out of business before completing the installation. When the consumers suspended payments on their home loan, Conseco debt collectors harassed them and failed to address the problem until the Attorney General's office intervened.

"Nothing can be scarier to consumers than receiving telephone calls from out-of-state debt collectors threatening to padlock their homes and put them on the street unless they agree to give a 'check by phone.' It is also distressing when home buyers discover that their names are omitted from loan and title documents to circumvent laws designed to protect cosigners. It is my hope that the actions taken by my office will lead to reform of Conseco Finance's future consumer credit and debt collection practices," explained Attorney General McGraw.

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hotline, 1-800-368-8808, or by printing a complaint form from this web site

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